

REMARKS

This Application has been carefully reviewed in light of the Office Action mailed September 8, 2006 ("Office Action"). At the time of the Office Action, Claims 1-37 were pending in the application. In the Office Action, the Examiner rejects Claims 1-37. Claims 21, 33, and 37 are currently amended. Applicants do not admit that any amendments are necessary due to any prior art or any of the Examiner's rejections. Applicants respectfully request reconsideration and allowance of Claims 1-37.

Claim Objections

The Examiner objects to Claims 33 and 37 because of the following informalities: typographical error or misprint of the word "bet". For examining purposes, examination was based on "bid". Applicants amend Claims 33 and 37 to correct this typographical error.

Claim Rejections - 35 U.S.C. § 101

The Examiner rejects Claims 21-32 under 35 U.S.C. 101 because the claimed invention is purportedly directed to non-statutory subject matter, namely software not embodied in a computer-readable medium. Applicants do not agree that such an amendment is required, but amend Claim 21 to advance prosecution. Claim 21 is currently amended to claim, in relevant part: "**Logic** for providing an electronic silent auction, **the logic encoded in a computer readable medium, the logic, when executed by a processor,** operable to . . .". Claims 22-32 are currently amended to conform with the new language of Claim 21. Applicants respectfully request reconsideration and allowance of Claims 21-32.

Claim Rejections - 35 U.S.C. § 112

The Examiner rejects Claims 35-37 under 35 U.S.C. 112, first paragraph. Specifically, the Examiner rejects these claims purportedly for inadequately disclosing "first count and second count and support for and use and determining." (Office Action, p.3). Applicants traverse this rejection. The terms questioned by the Examiner are indeed adequately enabled in the specification. For example, on page 21, lines 3 through 18, in conjunction with a description of Figure 2, the current application states:

In another embodiment, the determination of the end of bidding may be according to a tiered system that processes the received number of bids based upon one of a number of time increments. For example, the bidding may be ended if network device 106 receives five or less bids during the first twenty minutes, four or less bids during the next twenty minutes, and three or less bids during any twenty minute range beyond that. Of course, silent auction engine 130 may use any combination of the above example techniques to determine the end of the bidding. For example, the bidding may be open for at least one hour and then the tiered technique may be utilized once the hour is passed. If the auction is not complete, then silent auction engine 130 may continue to receive bids from clients 104 at step 290 and, when appropriate, processing returns to step 260.¹

In light of this example and the Specification as a whole, Applicants respectfully request reconsideration and allowance of Claims 35-37.

The Examiner rejects Claims 21-32 under 35 U.S.C. 112, second paragraph. Specifically, the Examiner states, "The Applicant is claiming software lacking embodiment in computer readable medium executable by a computer processor." (Office Action, p.3). As stated above, Applicants traverse this rejection, but currently amends Claim 21-32 to progress prosecution. Claim 21 is currently amended as follows: "**Logic** for providing an electronic silent auction, **the logic encoded in a computer readable medium, the logic, when executed by a processor,** operable to" Claims 22-32 are currently amended to conform with the new language of Claim 21. Accordingly, Applicants respectfully request reconsideration and allowance of Claims 21-32.

Claim Rejections - 35 U.S.C. § 102

The Examiner rejects Claims 1-7, 9-17, 19-27 and 29-37 under 35 U.S.C. 102(b) as being anticipated by U.S. Patent Application Publication No. 2002/0062276 A1 to Krueger, et al. ("*Krueger*"). Applicants respectfully request reconsideration and allowance of Claims 1-7, 9-17, 19-27 and 29-37.

At the outset, the Examiner fails to point to particular parts of *Krueger* that anticipate each of the elements of Claims 1-7, 9-17, 19-27, and 29-37. "When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable." 37 C.F.R. § 1.104(c)(2). The

¹ The foregoing portion of the Specification, which is cited merely to illustrate that Claims 35-37 comply with 35 U.S.C. § 112, is not intended to limit the pending claims to any particular embodiment.

Examiner's conclusory statement that *Krueger* discloses the elements of Claim 1 and the Examiner's vague citation to "at least Fig. 1 & 2[,] 0013-0016[, and] 0019-0059" of *Krueger* – which fails to cite a particular part of *Krueger* as nearly as practicable – does not comply with the requirements of 37 C.F.R. § 1.104(c)(2).

With respect to anticipation under §102, the Court of Appeals for the Federal Circuit has consistently adhered to the basic principle that: "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987). In addition, "The identical invention must be shown in as complete detail as is contained in the ... claim," and "[t]he elements must be arranged as required by the claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989); *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990); M.P.E.P. § 2131 (emphasis added). *Krueger* fails to teach many of the elements as set forth in each of the independent claims. For example, Claims 1 and 11 specify a "server operable to determine a winning bid for the item based on predetermined criteria." Similarly, Claim 21 specifies, among other things, "Logic . . . operable to . . . process the received bids to determine a winning bid for the item based at least partially on predetermined criteria." The final independent claim, Claim 33, recites a method that, among other things, "automatically initializ[es] a silent auction for a plurality of items . . ." and "automatically end[s] the silent auction based on predetermined criteria." The Examiner fails to cite any language in *Krueger* meeting any of these elements. Accordingly, Applicants respectfully request reconsideration and allowance of Claims 1-7, 9-17, 19-27, and 29-37.

The Examiner states, "Inherent in *Krueger* are the structures necessary to permit the creation and use of a bid sheet." Applicants find two problems with this assertion. First, "[t]o establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient." M.P.E.P. § 2112; *See In re Robertson*, 49 U.S.P.Q.2d 1949, 1150-51 (Fed. Cir. 1999). Even if the Examiner were correct that "structures necessary to permit the creation and use of a bid sheet" are present in *Krueger*, it would not necessarily follow that bid sheets are created and used. In other words, the mere presence of the

“necessary” structures that “*permit* the creation and use” of bidsheets does not *necessitate* the creation and use of bidsheets.

Second, “[i]n relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.” M.P.E.P. § 2112; *Ex parte Levy*, 17 U.S.P.Q. 1461, 1464 (Bd. Pat. App. & Inter. 1990). In rejecting Claims 5, 15, and 25, the Examiner relies only on ¶ 0026, which states, in relevant part, “The auction house lists the item and creates the marketing elements for a given auction.” The Examiner has not provided a basis to reasonably support the determination that “an electronic bidsheet [is] stored at the server” *necessarily* flows from this teaching in *Krueger*. Listing an item and creating the “marketing element” for the item do not require the creation and use of “an electronic bidsheet stored at the server.” Applicants respectfully ask that the Examiner provide evidence supporting a finding that inherent in *Krueger* is “an electronic bidsheet stored at the server.”

Furthermore, the Examiner does not cite to *any* language in *Krueger* that meets the elements of several dependant claims. For example, no attempt was made by the Examiner to demonstrate that *Krueger* anticipates any of the following claims’ elements: Claim 4 (“each local client and the local network device co-located at an auction site”), Claim 6 (“each bidsheet comprising the one or more bids on the associated item and the highest bid comprising a current winning bid”), Claim 7 (“each client comprising a graphical user interface operable to process an identifier of a user to associate with the bid”), Claim 9 (“the server operable to determine a highest bid on the item within a predetermined time after the beginning of the auction”), Claim 10 (“the server operable to determine a highest bid on the item after determining that no new bids have been received for a pre-determined amount of time”), Claim 16 (“each bidsheet comprising the one or more bids on the associated item and the highest bid comprising a current winning bid”), Claim 17 (“each client comprising a graphical user interface operable to receive an identifier of a user”), Claim 19 (“the server operable to determine a highest bid on the item within a predetermined time after the beginning of the auction”), Claim 20 (“the server operable to determine a highest bid on the item after determining that no new bids have been received for a pre-determined amount of time”), Claim 26 (“each bidsheet comprising the one or more bids on the associated time and the highest bid comprising a current winning bid”), Claim 31 (“logic operable to determine a

highest bid on the item within a predetermined time after the beginning of the auction”), Claim 32 (“logic operable to determine a highest bid on the item after determining that no new bids have been received for a pre-determined amount of time”), Claim 34 (“automatically ending the silent auction at a predetermined period of time from the initialization of the silent auction”), Claim 35 (“determining a first count of bids processed during a first predetermined amount of time from the initialization of the silent auction and wherein automatically ending the silent auction based on predetermined criteria comprises automatically ending the silent auction if the first count is not greater than a first predetermined number”), Claim 36 (“determining a second count of bids processed during a second predetermined amount of time from the end of the first predetermined amount of time and wherein automatically ending the silent auction based on predetermined criteria comprises automatically ending the silent auction if the second count is not greater than a second predetermined number”), and Claim 37 (“determining a first count of bids processed during a second predetermined amount of time from the end of the first predetermined amount of time; and wherein automatically ending the silent auction based on predetermined criteria comprises automatically ending the silent auction if the first count is not greater than a first predetermined number”). Indeed, *Krueger* is silent concerning these elements and cannot anticipate them.

In light of the at least the above mentioned reasons, Applicants respectfully request reconsideration and allowance of Claims 1-7, 9-17, 19-27 and 29-37.

Claim Rejections - 35 U.S.C. § 103

The Examiner rejects Claims 8, 18 and 28 under 35 U.S.C. 103(a) as being unpatentable over *Krueger* in view of U.S. Patent No. 5,663,547 issued to Ziarno (“*Ziarno*”). Claims 8, 18, and 28 depend from Claims 1, 11, and 21, respectively. Claims 1, 11, and 21 are shown above to be allowable over *Krueger*. *Ziarno* fails to make up for the deficiencies of *Krueger* discussed above. Thus, dependent Claims 8, 18, and 28 are allowable at least because they depend from allowable independent claims. Furthermore, both *Krueger* and *Ziarno* fail to teach using a card number as “the identifier of the user” with “each client communicably coupled with a card reader operable to process a card associated with the card

number.” Therefore, Applicants respectfully request reconsideration and allowance of Claims 8, 18 and 28.

CONCLUSION

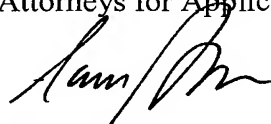
Applicants have made an earnest attempt to place this case in condition for allowance. For the foregoing reasons, and for other reasons clearly apparent, Applicants respectfully request full allowance of all pending claims.

If the Examiner feels that a telephone conference would advance prosecution of this Application in any manner, the Examiner is invited to contact Samir A. Bhavsar, Attorney for Applicants, at the Examiner's convenience at (214) 953-6581.

Applicants believe no fees are due, however, the Commissioner is hereby authorized to charge any additional fees or credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

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